STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

ILLINOIS

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Persons who have excess resources and would otherwise qualify for benefits under this plan, may qualify by meeting a spend down of the excess resources, i.e. incurring medical expenses equal to the excess resource amount. This provision also applies to those who have both income and resources in excess of the Medically needy standard.

Persons eligible only as a member of one of the following groups may not spend down to qualify for Title XIX benefits:

Individuals receiving Aid to Families with Dependent Children or State Supplemental Payments for the Aged, Blind, and Disabled.

Qualified Medicare Beneficiaries under the provisions of section 1905(p)(2)(A) of the Act

Pregnant women and children qualifying for Title XIX by a special income level under the provisions of section 1902(1)(2) of the Act

All other members of Title XIX eligible groups may qualify by the spend down provision.

The amount of resources subject to spend down is determined by considering the most recent verified amount known to the Department on the date the decision to dispose of the application or redetermination is made. All countable resources in excess of the medically needy resource standard is subject to spend down. The resource spend down is met in the same manner as an income spend down as described in 42 CFR 435.732(c). When the resource spend down is met by incurring medical expenses, eligibility exists regardless of whether or not the client has actually reduced the level of resources. This is comparable to the spend down of income in that the money does not actually have to be spent to meet spend down, i.e. incurring the obligation satisfies the requirement. Meeting the resource spend down satisfies the eligibility requirement until the next redetermination of eligibility is completed. At that time a new resource spend down will be established if the client continues to retain funds in excess of the eligibility level.

Incurred medical expenses cannot be applied to both an income spend down and a resource spend down. If the client resides in the community eligibility for a partial month cannot be authorized until the total spend down is met. E.g., if a client has $100 excess income and $200 excess

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resources, eligibility does not exist until incurred medical expenses total $300. For individuals residing in medical institutions and subject to the post eligibility treatment of income provisions of 42 CFR 435.733 and 435.832, incurred medical expenses are first applied to the monthly income spend down. Expenses in excess of the income spend down are applied to the resource spend down.

The state has procedures in place to assure a medical expense is not applied to both an income and an asset spend-down.

The state has procedures in place to prevent Medicaid payment of an expense used to meet spend-down.

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ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

_X_ Pregnant women with no other eligible children.

_X_ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

____ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

_X_ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

____ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1998, as follows:

____ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

Supplement 12 To ATTACHMENT 2.6-A
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X The agency used less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

- One (1) car is exempt.
- ~~Assets accumulated from a child's earnings is exempt.~~
- ~~The asset disregard is $2000 for one person, $3000 for two persons and $50 for each additional person.~~
- All assets are disregarded.
- The earned income of a child age 18 or under is totally exempt regardless of the child's status as a student.
- For persons receiving Medicaid under this section the State will disregard from earnings either the first $90, plus an additional $30 and one-third (1/3) of the remainder, if applicable, or two-thirds (2/3) of total gross earnings, whichever is advantageous to the client in determining eligibility.
- All wages paid by the Census Bureau for Temporary employment related to Census 2000 activities are excluded.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

- $1500 in equity value of a car was exempt.
- The assets of a child were not exempt and were applicable to the $1000 family asset disregard.
- The asset disregard was $1000 per family
- The earned income of a child was exempt if in full time school attendance.
- The first $90, plus an additional $30 and one-third (1/3) of the remainder of earned income was exempt for person receiving Medicaid.
- All wages paid by the Census Bureau for temporary employment related to the 10 year census activities were not excluded.

___ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

Waiver of §§402(a)(4) and 407 of the Act, CFR 233.100(a)(1) and (c)(1)(iii). A child will be considered deprived if family income is below the applicable income standard, regardless of the number of hours that the principal wage earner is employed.

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Supercedes
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Approval Date 5/3/00

Effective Date 01-01-00

Supplement ~~8~~ 12 to Attachment 2.6-A,
~~Page 2~~

ANNOTATIONS PER HCFA
ADMINISTRATOR LETTER
DATED 3/29/89

ILLINOIS

Following are proposed moratorium policies under 2373(c) of DRA. Unless otherwise specified each policy applies to the aged, blind, and disabled categorically needy who receive a state supplemental payment and to the medically needy. Attached are dated manual instructions to document the policies.

I. INCOME DISREGARDS

disapproved

a. ~~The first $25 of income is exempted when determining eligibility for a state supplemental payment. (PO-510)~~
b. ~~The first $25 of non-SSI income is exempt when determining medically needy status. (PO-510)~~
c. ~~All income in-kind is exempt. (PO-510)~~
d. ~~For the blind the first $85 of earnings plus 1/2 the remainder are exempt.~~
e. ~~Income received under the provisions of the Illinois "Senior Citizens and Disabled Persons Property Tax Relief Act". (PO-510.2d)~~

II. RESOURCE EXEMPTIONS

a. Any property necessary for self support. (PO-505.1) approved
b. Resources derived under the provisions of the Illinois "Senior Citizens and Disabled Persons Property Tax Relief Act". (PO-505.1) approved

III. TREATMENT OF INCOME AND RESOURCES

a. Eligibility may exist for a month the client's resources do not exceed the disregard for at least one day during the month. (PO-620.3a) approved
b. Self employment earnings are budgeted each month, not pro-rated over a year. (PO-615) Applies to the determination of a state supplemental payment. disapproved

APPROVALS UNDER SECTION 1902(r)(2)
EFFECTIVE 10/1/82

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TN# 88-14

Effective Date ~~10-1-81~~ 10/1/82

Moratorium plan partially approved 3/29/89
Sections II and III.a. approved under 1902(r)(2)